

POSSIBLE FOREIGN RESPONSES TO THE NEW US ECONOMIC POLICY

I. Reactions to Date, Economic and Political

(This would be summarized from paper OER has already underway.)

II. Situation and Interests of the Principal Parties Concerned

- a. Their general economic prospects
- b. Political strength of governments
- c. Vulnerability of particular economic sectors
- d. Pressure groups

III. Responses to Alternate General US Lines of Policy

a. If US pursues hard course in form of maximum program --  
i. e. to bring about large shift in exchange rates, removals of  
"barriers" to trade, burden-sharing, investment credits, etc.

b. If US posture continues this hard or nearly this hard,  
prolonging something close to the present situation for, say,  
six months or more.

c. If US, by year's end, eases posture, settling for exchange  
rate settlement in moderate range, removing surcharge, entering  
upon multi-lateral negotiations for reform of international monetary  
systems.

(This section would probably have to discuss, at least briefly,  
the likely reactions abroad to possible US initiatives on several  
variables -- i. e. change in gold price, limited convertibility,  
tax adjustments, etc.)

S-E-C-R-E-T

